GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:540
ANSWERED ON:28.02.2000
RATIONALITY IN RATES OF POWER
ANANTRAO GUDHE

Will the Minister of POWER be pleased to state:

(a) whether there is a huge difference in the rates of power being supplied by the National Thermal Power Corporation, Maharashtra State Electricity Board and the Reliance Patalgana Power Private Limited;

(b) if so, the details thereof and the reasons therefor;

(c) the steps taken/proposed to the taken to ensure rationality in rates of power being charged by the Private Sector Power Producer; and

(d) the details of Power purchase agreements revised during 1998-99 and the current year alongwith the demand received for revision of PPAs?

Answer

MINISTER OF STATE IN THE MINISTRY OF POWER
(SHRIMATI JAYAWANTI MEHTA)

(a) & (b) : Details of the rates/charges of power supplied by National Thermal Power Corporation (NTPC) to Maharashtra State Electricity Board (MSEB) for the month of December 1999 from the four power stations of NTPC located in the Western Region are as given below:

Sl. No.	Name of Power Station/ Capacity (MW)	Normative Tariff (at 68.49% PLF) (Paise/kwH
1.	Korba STPS (2100 MW)	72.96
2.	Vindhyachal STPS (1260 MW)	120.21
3.	Kawas GPS (656.20 MW)	250.20
4.	Jhanor-Gandhar GPS (657.39 MW)	242.58

The Patalganga Combined Cycle Gas Turbine (447.1 MW) in Maharashtra of M/s Reliance Patalganga Power Private Limited has been accorded techno-economic clearance of Central Electricity Authority (CEA) on 22.1.1998 at an estimated cost of US$319.02 Million (at the exchange rate of US$1=Rs.35.50)+Rs.246.66 crores. The project is yet to achieve financial closure and start generation. The tariff for the power generated, which is dependent on the cost of fuel used and the prevailing foreign exchange rate, will be known only after the plant begins commercial generation.

Tariff for the power of MSEB to various categories of consumers is fixed as per Section 49 & 59 of Electricity (Supply) Act, 1948 under the overall guidance of the Government of Maharashtra, whereas for the power supplied from the power stations of NTPC, tariff has been fixed as per the norms given in the report of the K.P. Rao Committee. The average sale rate of power by MSEB in the state of Maharashtra is 216 paise per unit.

(c) & (d) : Tariff for sale of power by all the private sector power projects is presently worked out in accordance with the factors laid down in Government of India`s Notifications in this regard and other terms and conditions of PPA entered into between the generating company and the Board. The Government has advised least tariff to the State. The Power Purchase Agreement (PPA) is a contract between the State Electricity Boards (SEBs) and the independent power Producers (IPPs) in which the modalities for purchase/sale of power are negotiated between the two parties. As such, the issue of monitoring of PPAs comes under the purview of the respective State Governments. Normally the Government of India does not monitor the progress in finalisation of these agreements. To assist the State Governments/ SEBs in formulation of these agreements, Government of India circulated guidelines in respect of PPAs in 1994.

The Ministry of Power also circulated a draft model PPA to enable the State Governments to formulate their own PPAs and also organised training workshops on PPAs.